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CENTRAL INTELLIGENCE AGENCY

REPORT NO

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INFORMATION REPORT

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The SAG Buna-Werks a Soviet Corporation, had a managing staff of about 50 persons which was headed by Markevich (fru) as Soviet manager and was accommodated in a separate building. The German managing board consisted of Dr Nelles (fin), formerly head of the main laboratory who worked as general manager; Dr. Moll (fmu), an old member of the managing board from the IG period, who was production manager; and chief engineer Schulmacher (fnu), who was managing engineer and was responsible for the entire mechanical equipment and apparatus. He controlled the TA/EN section for electric power, headed by Oberingenieur Thiems (fnu), the TA/M section for engineeronstruction headed by Or Werneburg (fnu), the TA/EL electrical section and the Ta/E construction section, headed by Oberingenieur Reinhardt (fnu).

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The inorganic section of the Buna-Werkeineluder all installations for the readyn-

The inorganic section of the Buna-herkeincluder all installations for the production of carbide, a sodallye plant, a mydrochloric acid plant and an aluminum chloride plant.

The organic section included the plants for the resification of ambide, hydrogenation, the production of butchisms the plant of further included the plant for Buna-production according to the Reppe better, a vinegar-plant, an alcoholing plant, an acctone plant, an ester plant, a plastics section, a phthalic acid plant, an Igelit plant and a section for liquid fuel and lubricants.

Schkopau also had two large plants capable of making all kinds of receive which might occur at the works. The workshops were housed in Buildings wide C it and B part at which essential space parts, such as bevel years, could be manufactured.

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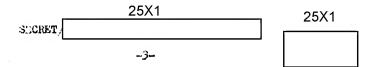
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- According to the Prospective Plan which determined the development of the Buna--Werke until 1957, the works were to reach a yearly output of 80,000 tons of Buna The problem of the execution of this plan caused differences between the Soviets and the German management. While the Soviets advocated the erection of a new carbide plant, the Germans stated that no space was available for a plant able to meet the technical requirements of the manufacturing process. The dermans finally succeeded. More efficient apparatus and machinery were scheduled to be installed in the workshops to solve the problem of increased output. Measures adopted at the carbide plant where a total of 8 carbide ovens were to be put into operation, included the use of 100-% fresh lime for making carbide as against the 50-percent residual lime used previously; improved dressing of anthracite coke from Poland and Zwiekau by a new crushing and grinding plant; expansion of the power station, where boiler No 18 had been installed in 1952; the installation of more pwerful transformers from West Germany, after three new high-performance transformers from the SAG-Transformatoren und Motorenwerks in Dresden-Niedersedlitz had burnt out within four hours of operation because of faulty construction; the expansion of the hydraulic plant for which the construction of additional buildings had started in 1952, and for which a water-intake station on the Saale River, a new pump house and the installation of six double filters were planned to increase the hourly water consumption from 11,000 cubic meters to 15,000 cubic meters. Also planned were the expansion of the caustic scda plant , whose capacity was to be increased 33 1/3 percent because the government in East Berlin needed large quantities of sodium hydroxide for the planned increase of the cellulose production; the expansion by 50 percent of the phthalic scid plant, which, on orders of the Soviet management of the works, had to export large quantities phthalic scid that sold well in the world market; the expansion of the styrol plant which, after adding a sixth furnace to the five available and partially reconditioned furnaces, was believed to reach its pre-war capacity; and the expansion of the hydrochloric acid plant , as large quantities of hydrochloric acid were needed for the manufacture of Igelit.
- 7. The change in the commercial policy in East Germany since 9 June 1953 did not affect the Buna-Werks budget.
- 8. The Reppe plant mentioned in paragraph 4 could produce Buna rubber in three stages, as against four previously required; 'also, far less residues were obtained and production was more profitable. This experimental plant, which had been erected by order of the Soviets at a cost of between 3,000,000 and 4,000,000 eastmarks, was a success as long as the required contact material could be obtained from Ludwigshafen, but had to discontinue production as soon as Ludwigshafen failed to supply contact material.
- 9. The disposal of the chlorine gas evolved in the production of sodium hydroxide which had to be blown off was difficult as. in adverse weather, it exposed the workers to danger despite all precautionary measures taken. When, in 1952, all of the chlorine obtained was for some time filled into large carboys and was shipped off, causing a shortage of chlorine, the old and experienced operating engineers of the Buna-Werke believed that this gas would be used for chemical warfare and, therefore, feared that war was imminent. Diver bombs were allegedly filled at this factory during the war.
- 10. The Bunk-Werke which had no hydrogen plant and was supplied by the Leuna-Werke was connected with the Leuna plant by a pipe line to receive hydrogen.
- 11. In late March 1953, the latent dissatisfaction of the workers with the STD rose considerably after the government had announced new measures to reduce wages and after a new scheme called the work place catalog was introduced, meaning that in addition to the increase of unpaid quotas and the cancellation by the State Rail-roads of workers's season tickets, the SED-management had drafted a new classification of wages resulting in a considerable reduction for most workers and a doubling of salaries paid to between 15 and 20 persons. General manager Dr. Nelles (fnu) has received a monthly salary of 15,000 eastmarks since April 1953. Immediately after the strike movement in Berlin had come to their notice, on 17 June 1953, the Buna workers formed strike committees and, at 9:30 a.m., went on strike and continued only at those plants at which descation of work would have caused explosions and



possible destruction . They removed and burnedall pictures of Stalin, Lenin, Karl Marx and Engols, as well as all SED streamers, Ulbricht and Grotewohl SED personnel files and the library. The SED functionaries were unable to interfere and fled. When it became known that Leura workers planned to march to workers joined in and liberated from the Herseburg pri-Merseburg. the Buns son numerous political prisoners including 8-year old children, who had been in jail for several months for having had West German papers. In the afternoon of 17 June, numerous workers of the Buna-Werks participated in the uprising in Halle, during which, prior to the intervention of the Soviet tanks in the evening of SED government lost control. On 18 June, when Soviet tanks, 17 June, the antitank guns and machine gun units under the command of a Soviet general appeared at the Buna-Werke and, in the presence of Markevich (fnu), the Soviet manager of the Buna-Werke, attempted to force the striking workers to resume work, the labor force of the Bung-Werle informed the Soviet general that they would blast the carbide factory by conveying oxygen into the plant or shutting off the cooling water supply, unless the Soviet units be withdrawn immediately. The Soviet general actually withdrew that very day. After the workers of the Buna-Werke had threatered to go on strike again, unless all Buna workers who had been arrested for striking on 17 and 18 June be released, all workers of the carbide factory were freed. except for two who were probably killed in jail. On 23 June, the dead of the re-

ing on 17 and 18 June be released, all workers who had been arrested for streaming on 17 and 18 June be released, all workers of the carbide factory were freed, except for two who were probably killed in jail. On 23 June, the dead of the rebellion were buried, with the siren sounded by the workers and a black flag hoisted as a sign of mourning when the SID management protested against this action, they were told that it was ridiculous for the SED to expect the workers of the Buna-Werk to arrange demonstrations for the Rosenberg couple and not to demonstrate for their fellow-workers.

12. On 26 June 1953, Fred Oelssner, member of the Politbuero and SED theorist, was to discuss the situation at a large meeting near at the buna-Werke On 25 June, he had already made a speech at a Leuna-Werke meeting to which only reliable SED members and bosses had been invited. This made it possible for him to state without being contradicted, that the events on 17 June had been proved by Western agents and that the East German government deserved the full confidence of the workers. He thus was able to make the meeting approve a resolution, which had been previously drafted, and to have a telegram sent to the government in Berlin. When the other workers of the Leuna-Werkelearned what had happened, they were infuriated and forthwith informed their fellow workers. Since the trade union leaders of the various operating sections, who, in contrast to the union leaders of the entire plant and the individual branches, sided with the workers, had distributed the

admission tickets for the meeting , numbous workers, who disagreed with the SED policy were admitted to the meeting, which therefore was rather tumultuous. As he made his speech, Delssner was continually interrupted and his statements were refuted as lies. The SED government was charged with betraying both the working population and Germany and was requested to resign forthwith. The Freier Deutscher Gewerkschaftsbund (Free German Trade Association) (FDGB) was sharply criticized as not representing the interests of the workers, and Celssner was bluntly told that he and his colleagues of the Politbuero were not entitled to speak in behalof the German laborers. The entire German SED government was called upon to resign and permit free elections to make possible the election of a government which would serve the nation's interests. A resolution which had been planned at the end of the meeting and a telegram of allegiance to the workers in Berlin, as adopted at the preceding meeting at the Leuna plant, were turned down by the majority.

the situation in East Germany had completely changed after 17 June, although the SED government had regained governmental power, with the aid of Mescow, and Ulbricht had survived the crisis.

as a result of the events on 17 June, the middle and low-ranking functionaries felt rather embarrassed and no longer dared carry out orders and instructions they received from East Berlin. They feared the revenge and resistance of the workers, as they had seen that, during the critical period after 17 June, the middle and lower SED functionaries had been held responsible for mistakes made by top-level SED functionaries who tried to deceive the workers. Realizing the resistance by the workers, all low-ranking functionaires, therefore tried to hedge politically and carried out SED orders only reluctantly or not at all, while the people in East Germany gained more self-assurance and were no longer willing to execute indiscriminately any order issued by the SED.

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14.	Soviet manager Markevich was ordered to appear in Moscow after the events of 17 June. He had not returned by 10 August. Moscow removed him because of the strikes at the Buna-Werks. In late July, several other persons employed at the Buna-Werks were arrested. Their fate was unknown.	25X1

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